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Is Health Care Reform Funding in Jeopardy?

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Summary

The Affordable Care Act (ACA; P.L. 111-148 and P.L. 111-152) included more than 100 funding opportunities of interest to states. For some programs, the law included both authorizations and appropriations, thereby providing funding at the specified levels for the years cited in the law. The majority of programs, however, received only an authorization in the law. These discretionary programs require funding through the appropriations process. As such, Congress will determine if or when (and at what levels) these programs will be funded.

Some members of Congress have indicated their desire to eliminate funding for health care reform. It is those programs subject to the appropriations process that would be at most risk under such proposals. To eliminate funding for programs receiving a direct appropriation, Congress would need to amend the underlying law or specifically rescind the funding. Such legislation must be passed by both houses and signed by the president.

Discretionary Spending

In general, discretionary programs follow a two-step process to receive funding. A program is created or continued through enactment of authorizing legislation. This legislation also authorizes the maximum amount to be appropriated by either specifying an amount by fiscal year or allowing for “such sums as may be necessary.” The program then may or may not be funded through inclusion in the annual appropriations bill. Almost all discretionary programs included in health care reform fall under the Labor/Health and Human Services (HHS)/Education appropriations bill.

ACA created a number of new programs and authorized funding for these programs. It also extended the authorization and modified many existing discretionary programs, most of which are part of the Public Health Service Act. Typically, new programs face a greater challenge of being funded than existing programs with a history of being part of the appropriations process. Table 1 provides a list of new discretionary programs in ACA, along with key information for those programs where available. Existing programs that were extended and/or modified by ACA are listed on Table 2. Both tables focus on the funding of interest to states and do not cover all programs in ACA.

ACA was passed after the federal fiscal year (FY) 2010 appropriations process was complete. As such, those few discretionary programs that received funding in FY 2010 did so primarily through the Prevention and Public Health Fund (described in detail below). Two programs—nurse retention and

dentistry training—were funded by previously appropriated funds for similar, existing programs. One program—health insurance consumer information—received a direct appropriation in FY 2010 but future funding is subject to the appropriations process.

To help fund discretionary programs, ACA created the Prevention and Public Health Fund. It appropriated \$500 million for the fund in FY 2010, \$750 million for FY 2011, \$1 billion for FY 2012, \$1.25 billion for FY 2013, \$1.5 billion for FY 2014, and \$2 billion for FY 2015 and thereafter. Specifically, the fund, which is administered by HHS, is to provide for “expanded and sustained national investment in prevention and public health programs to improve health and help restrain the rate of growth in private and public sector health care costs.”

ACA instructs the secretary of HHS to transfer amounts from the fund to accounts within HHS for programs authorized by the Public Health Service Act for prevention, wellness and public health activities. (Almost all of the new or existing discretionary programs in ACA are amendments/additions to the Public Health Service Act.) ACA also includes language that allows House and Senate appropriations committees to transfer the prevention and public health funds to eligible activities.

In FY 2010, the secretary of HHS used the prevention and public health funds for new programs included in ACA as well as to enhance existing programs. Initial FY 2011 appropriations bills did specify such transfers. However, a continuing resolution is funding the FY 2011 budget at FY 2010 levels through March 4, 2011, and future action on the budget remains uncertain. If the final FY 2011 budget does not include transfers from the fund, that responsibility would once again fall to the secretary of HHS.

Direct Spending

Congress may bypass the two-step authorization and appropriation process by including funding for a program in the authorizing law. Such spending is referred to as direct or mandatory spending.

ACA directly appropriated funding for many new and existing programs, as outlined on Table 3. Generally speaking, ACA specified the funding level of the direct appropriation. However, there are a few exceptions. The secretary of HHS determines the funding level for health insurance exchange grants, and some programs have an appropriation cap, rather than a specific amount. For most of the programs listed on Table 3, HHS has released the funding opportunity announcement and, in some instances, has awarded funds for the first year.

This analysis does not focus on the many programmatic changes made to mandatory programs, such as the new state options for Medicaid, that could result in additional federal funding (see *Issue Briefs 10-01* and *10-10* for more information).

Next Steps

In the current fiscal climate, it is uncertain whether that Congress will fund new initiatives included in ACA; it could even scale back funding for existing discretionary programs. Of the programs receiving a direct appropriation, the prevention and public health fund remains at most risk since this

program already has been identified as a potential offset for changes to ACA related to the 1099 reporting provision for businesses.

Moreover, this analysis does not address funding authorized or appropriated in health care reform to assist federal agencies in implementing the new law. This is another area that some members of Congress have targeted for potential reductions, which in turn could affect state efforts to implement health care reform.

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Table 1

New Discretionary Funding in Health Care Reform Law

Program Name	Section in Law	Federal Agency	CFDA	Eligible Entities	Type of Grant	Funding Information	Funding Status
Title I - Quality, Affordable Health Care:							
Health Insurance Consumer Information	1002	OCIO	93.519	State government or exchanges operating in states		Direct appropriation of \$30 million in first year; future years - authorizes such sums as necessary	Received direct appropriation in FY 2010
Title II - Role of Public Programs:							
Medicaid Global Payment System Demonstration Program	2705	CMS		State government (up to 5)	Demo.	Authorization for such sums as necessary; project operate from FY 2010 to FY 2012	
Pediatric Accountable Care Organization Demonstration Program	2706	CMS		State government	Demo.	Authorization for such sums as necessary; project operate from January 1, 2010 - December 31, 2016; budget saving requirement	
Services to Individuals with a Postpartum Condition	2952			Public or non-profit entity (including state and local governments)		Authorizes \$3 million in FY 2010 and such sums as necessary for FYs 2011 and 2012	
Title III - Improving the Quality and Efficiency of Health Care:							
Grants or Contracts for Quality Measure Development	3013	AHRQ		Entity that meets specified criteria		Authorizes \$75 million annually for FYs 2010-2014	
Grants or Contracts for Collection of Data for Quality and Resource Use Measures	3015			Entity that meets specified criteria		Authorizes such sums as necessary for FYs 2010-2014	
Quality Improvement Technical Assistance and Implementation Grants	3501			Health care provider/org. and other specific entities		Authorizes such sums as necessary	
Community Health Teams	3502			State or state-designated entity		Authorizes such sums as necessary	
Regionalized Systems for Emergency Care Responses	3504	ASPR		State government and state/local partnerships	Competitive	Authorizes \$24 million annually for FYs 2010-2014	
Trauma Service Availability	3505	HRSA		State government	Formula based on approp. level	Authorizes \$100 million annually for FYs 2010-2015	
Demonstration Program to Integrate Quality Improvement and Safety Training into Clinical Education	3508			Specified Institutes of Higher Education (IHEs)	Demo.	Authorizes such sums as necessary	
Title IV - Prevention of Chronic Diseases and Improving Public Health:							
Education and Outreach Campaign Regarding Preventive Benefits	4004			Priority funding for states and other entities		Authorizes such sums as necessary	
Grants for Operation of School-Based Health Centers	4101	HRSA		School-based health center or sponsoring facility		Authorizes such sums as necessary for FYs 2010-2014	
Research-Based Dental Disease Management	4102	CDC		Community-based provider of dental services (including state or local health departments)		Authorizes such sums as necessary	
Oral Health Infrastructure	4102	CDC		State government and territories	Cooperative agreement	Authorizes such sums as necessary for FYs 2010-2014	
Pregnancy Risk Assessment Monitoring System (mandated state report)	4102			State government		Authorizes such sums as necessary	

Table 1, Cont.**New Discretionary Funding in Health Care Reform Law**

Program Name	Section in Law	Federal Agency	CFDA	Eligible Entities	Type of Grant	Funding Information	Funding Status
Title IV - Prevention of Chronic Diseases and Improving Public Health:							
Community Transformation Grants	4201	CDC		State and local governments, and community-based organizations		Authorizes such sums as necessary for FYs 2010-2014	
Healthy Aging, Living Well Pilot Project	4202	CDC		State and local health departments		Authorizes such sums as necessary for FYs 2010-2014	
Demonstration Program to Improve Immunization Coverage	4204			State government	Demo.	Authorizes such sums as necessary for FYs 2010-2014	
Demonstration Project Concerning Individualized Wellness Plan	4206			Community health centers (up to 10)	Cooperative agreement	Authorizes such sums as necessary	
Epidemiology-Laboratory Capacity Grants	4304	CDC	93.521	State and local health departments, and academic centers		Authorizes \$190 million annually from FYs 2010-2013	Received funds from Prevention and Public Health Fund in FY 2010
Program for Education and Training in Pain Care	4305	HRSA		Health professions schools, hospices, and other private/public entities		Authorizes such sums as necessary for FYs 2010-2012	
Title V – Health Care Workforce:							
State Workforce Development Grants	5102	HRSA	93.509	State workforce investment boards	Competitive	Planning grants: Authorizes \$8 million for FY 2010 and such sums as necessary thereafter; implementation grants: authorizes \$150 million for FY 2010 and such sums as necessary thereafter	Received funds from Prevention and Public Health Fund in FY 2010
State and Regional Centers for Health Workforce Analysis	5103	HRSA		State, state workforce investment boards, and other specified entities		Authorizes \$4.5 million annually from FYs 2010-2014; authorizes such sums as necessary for FYs 2010-2014 for longitudinal analysis	
Grants to Nurse-Managed Health Clinics	5208	HRSA	93.515	Nurse-managed health clinics		Authorizes \$50 million for FY 2010 and such sums as necessary from FYs 2011-2014	Received funds from Prevention and Public Health Fund in FY 2010
Training Opportunities for Direct Care Workers	5302	HRSA		IHEs in partnership with long-term care facility		Authorizes \$10 million for FYs 2011-2013	
Training in General, Pediatric, and Public Health Dentistry	5303	HRSA	93.403 (ARRA funds), 93.883 (regular approp.)	Hospitals, schools of dentistry, public or private non-profit entities		Authorizes \$30 million for FY 2010 and such sums as necessary for FYs 2011-2015	Received funds from ARRA and regular appropriation
Alternative Dental Health Care Providers Demonstration Project	5304	HRSA		IHEs, state or county public health clinics, and other specified entities		Authorizes such sums as necessary	
Geriatric Workforce Development	5305	HRSA		Geriatric education centers		Authorizes \$10.8 million for FYs 2011-2014	
Mental and Behavioral Health Education Training Grants	5306	HRSA		IHEs, state-licensed mental health org.		Authorizes \$35 million for FYs 2010-2013	
Nurse Retention Grants	5309 (b)	HRSA	93.359	Schools of nursing and health care facilities		Authorizes such sums as necessary for FYs 2010-2012	Received funds from regular appropriation

Table 1, Cont.**New Discretionary Funding in Health Care Reform Law**

Program Name	Section in Law	Federal Agency	CFDA	Eligible Entities	Type of Grant	Funding Information	Funding Status
Title V – Health Care Workforce:							
Grants to Promote the Community Health Workforce	5313	CDC		Public or non-profit private entities (including states and public health departments)		Authorizes such sums as necessary for FYs 2010-2014	
Demonstration Grants for Family Nurse Practitioner Training Program	5316			Federally qualified health centers and nurse-managed health clinics		Authorizes such sums as necessary for FYs 2011-2014	
Continuing Educational Support for Health Professionals Serving in Underserved Communities	5403(b)	HRSA		Health professions schools, academic health centers, state and local governments, and private/public entities		Authorizes \$5 million annually for FYs 2010-2014 and such sums as necessary thereafter	
Primary Care Extension Program - State Hubs	5405	AHRQ		State government	Competitive	Authorizes \$120 million annually for FYs 2011-2012 and such sums as necessary for FYs 2013-2014	
Teaching Health Centers Development Grants	5508	HRSA		Teaching health centers		Authorizes \$25 million in FY 2010, \$50 million annually in FYs 2011-2012, and such sums as necessary thereafter	
Awards for Co-Locating Primary and Specialty Care in Community-Based Mental Health Settings	5604	SAMHSA		Qualified community mental health programs		Authorizes \$50 million for FY 2010 and such sums as necessary for FYs 2011-2014	
Title VI – Transparency and Program Integrity:							
Establishment and Support of Elder Abuse, Neglect and Exploitation Forensic Centers	6703/2031			IHEs/appropriate entities		Authorizes \$4 million for FY 2011, \$6 million for FY 2012, and \$8 million annually for FYs 2013-2014	
Enhancement of Long-Term Care Facilities	6703/2041			Long-term care facilities		Authorizes \$20 million for FY 2011, \$17.5 million for FY 2012, and \$15 million annually for FYs 2013-2014	
Grants to Enhance the provision of Adult Protective Services	6703/2042			State government and territories	Formula	Authorizes \$100 million annually for FYs 2011-2014	
Adult Protective Services - State Demonstration Projects	6703/2042			State government		Authorizes \$25 million annually for FYs 2011-2014	
Grants to Support the Long-Term Care Ombudsman Program	6703/2043			Eligible entities with relevant experience		Authorizes \$5 million in FY 2011, \$7.5 million in FY 2012, and \$10 million annually for FYs 2013-2014; training program - authorizes \$10 million annually for FYs 2011-2014	
Grants to State Survey Agencies	6703/2044			State agencies that perform surveys of nursing facilities		Authorizes \$5 million annually for FYs 2011-2014	

Table 1, Cont.**New Discretionary Funding in Health Care Reform Law**

Program Name	Section in Law	Federal Agency	CFDA	Eligible Entities	Type of Grant	Funding Information	Funding Status
Title X – Strengthening Quality, Affordable Health Care for All Americans:							
Community-Based Collaborative Care Network Program	10333			Network should include hospitals and federally qualified health centers		Authorizes such sums as necessary for FYs 2011-2015	
National Centers of Excellence for Depression	10410	SAMHSA		IHEs	Competitive	Authorizes \$100 million annually for FYs 2011-2014, \$150 million annually for FYs 2016-2020	
National Diabetes Prevention Program	10501(g)	CDC		State and local health departments and other specified entities		Authorizes such sums as necessary for FYs 2010-2014	
Rural Physician Training Grants	10501(i)	HRSA		Specified schools		Authorizes \$4 million annually for FYs 2010-2013	
Preventive Medicine and Public Health Training Program	10501(m)	HRSA		State and local health departments, and other specified entities		Authorizes \$43 million for FY 2011 and such sums as necessary for FYs 2012-2015 (includes funding for existing programs as well)	
Demonstration Project to Provide Access to Affordable Care	10504	HRSA		State-based, non-profit, public-private partnership	Demo.	Authorizes such sums as necessary	
State Demonstration Programs to Evaluate Alternatives to Current Medical Tort Litigation	10607			State government	Demo.	Authorizes \$50 million for FYs 2011-2015	

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Table 2

Existing Discretionary Funding Modified in Health Care Reform Law

Program Name	Section in Law	Federal Agency	CFDA	Eligible Entities	Type of Grant	Funding Information
Title III – Improving the Quality and Efficiency of Health Care:						
Medicare Rural Hospital Flexibility Program (extension)	3129			State government		Authorizes such sums as necessary for FYs 2011-2012 to be appropriated from the Federal Hospital Insurance Fund
Trauma Care Centers (existing program, establishes 3 separate grants)	3505	HRSA		Qualified public trauma centers		Authorizes \$100 million for FY 2009; such sums as necessary for FYs 2010-2015
Patient Navigator Program (existing program)	3510	HRSA	93.191	Public or nonprofit private health center, hospital, rural health clinic and other specific entities		Authorizes \$3.5 million for FY 2010; such sums as necessary for FYs 2011-2015
Title IV – Prevention of Chronic Diseases and Improving Public Health:						
Task Force on Community Preventive Services (existing program)	4003	CDC/AHRQ				Authorizes such sums as necessary
National Oral Health Surveillance System (existing, to increase participation of states)	4102	CDC/AHRQ		State government and territories		Authorizes such sums as necessary for FYs 2010-2014
Reauthorizes Sec. 317 vaccination program (existing program)	4204	CDC	93.268	State government	Project grants	Authorizes such sums as necessary
Title V – Health Care Workforce:						
Primary Care Training and Enhancement (existing program)	5301	HRSA	93.510, 93.514	Hospitals, schools of medicine, public or private non-profit entities	Competitive	Authorizes \$125 million for FY 2010 and such sums as necessary for FYs 2011-2014
Nurse education, practice, and quality grants (modified existing program)	5309 (a)	HRSA	93.359	Schools of nursing and health care facilities		Authorizes such sums as necessary for FYs 2010-2014
Area Health Education Centers (existing program)	5403(a)	HRSA		Schools of medicine and schools of nursing		Authorizes \$125 million annually for FYs 2010-2014
Federally Qualified Health Centers (existing program)	5601	HRSA		Community, migrant, public housing, and homeless health centers		Authorizes specific funding for FYs 2010-2015, increases authorization from \$3.0 billion in FY 2010 to \$8.3 billion in FY 2015, with specified adjustments thereafter (permanently reauthorizes program)
Children's Emergency Medical Services Demonstration Grants (existing program)	5603	HRSA		States or schools of medicine		Authorizes \$25 million for FY 2010, \$26.3 million for FY 2011, \$27.6 million for FY 2012, \$28.9 million for FY 2013, and \$30.4 million for FY 2014
Title X – Strengthening Quality, Affordable Health Care for All Americans:						
Public Access Defibrillation Programs (existing program)	10412	HRSA		State and local governments	Demo.	Authorizes \$25 million annually for FYs 2003-2014

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Table 3

Direct Appropriations in Health Care Reform Law

Program Name	Section in Law	Federal Agency	CFDA	Eligible Entities	Type of Grant	Funding Information	Funding Status
Title I - Quality, Affordable Health Care:							
Health Insurance Consumer Information	1002	OCIO	93.519	State government or exchanges operating in states		\$30 million in first year; future years - authorizes such sums as necessary	FY 2010 funds awarded
Premium Review Grants	1003	OCIO	93.511	State government	Formula	\$250 million for FYs 2010-2014; No state should receive less than \$1 million or more than \$5 million annually	FY 2010 funds awarded
High-Risk Pools	1101	OCIO		State government or non-profit private entity		\$5 billion total (for claims and administrative costs)	HHS released funding allocations by state
Health Insurance Exchange - Planning and Establishment Grants	1311	OCIO	93.525	State government	Secretary discretion	Secretary of HHS determines amount; no grants awarded after January 1, 2015	Planning grants awarded, funding opportunity released for early innovators and establishment grants
Funding for Territories	1323	OCIO		Territories that elect to establish a health insurance exchange		Appropriates \$1 billion, to be available from 2014 through 2019 (of that amount, \$925 million is for Puerto Rico)	
Title II - Role of Public Programs:							
Money Follows the Person Rebalancing Demonstration (existing program)	2403	CMS	93.791	State government	Demo.	\$450 million annually for FYs 2011-2016	FY 2011 funding opportunity released
Aging and Disability Resource Centers (existing program)	2405	AOA	93.048	State government and territories	Cooperative agreement	\$10 million annually for FYs 2010-2014	FY 2010 funds awarded
Medicaid Emergency Psychiatric Demonstration Project	2707			State government	Demo.	\$75 million for FY 2011	
Maternal, Infant, and Early Childhood Home Visitation Grant Program	2951	HRSA	93.505	State government, territories (non-profit if state doesn't apply or receive funds)	Formula	\$100 million for FY 2010, \$250 million for FY 2011, \$350 million for FY 2012, \$400 million for FY 2013, \$400 million for FY 2014	FY 2010 funds awarded
Personal Responsibility Education Grant Program	2953	ACF	93.092	State government (local organization if state doesn't apply)	Formula	\$75 million annually for FYs 2010 - 2014	FY 2010 funds awarded
Abstinence Education (restoration of funding for existing program)	2954	ACF	93.235	State government	Formula	\$50 million annually for FYs 2010-2014	FY 2010 funds awarded
Title III - Improving the Quality and Efficiency of Health Care:							
Establishment of Center for Medicare and Medicaid Innovation	3021	CMS					
Testing of Models (Phase I)/Expansion (Phase II)	3021	CMS		State government	Demo.	Appropriates \$5 million for FY 2010; \$10 billion for FYs 2011-2019	Funding opportunity released
Medicare Prescription Drug Program - Additional Funding for Outreach and Assistance for Low-Income Programs (existing program)	3306	AOA	93.071	State health insurance programs, area agencies on aging, and aging and disability resource centers	Formula	Specifies additional funding amounts to be appropriated by entity for FYs 2009-2012 (\$7.5 million in FY 2009 and \$15 million in FYs 2010-2012 for health insurance and agencies on aging; \$5 million in FY 2009 and \$10 million in FYs 2010-2012 for resource centers)	FY 2010 funds awarded

Table 3, Cont.

Direct Appropriations in Health Care Reform Law

Program Name	Section in Law	Federal Agency	CFDA	Eligible Entities	Type of Grant	Funding Information	Funding Status
Title IV - Prevention of Chronic Diseases and Improving Public Health:							
Prevention and Public Health Fund	4002					\$500 million for FY 2010, \$750 million for FY 2011, \$1 billion for FY 2012, \$1.25 billion for FY 2013, \$1.5 billion for FY 2014, and \$2 billion for FY 2015 and thereafter	HHS secretary used FY 2010 funds for a variety of programs
Grants for Establishment of School-Based Health Centers	4101	HRSA	93.501	School-based health center or sponsoring facility	Competitive	\$50 million annually for FYs 2010-2013	FY 2010 and FY 2011 funding opportunity released
Incentives for Prevention of Chronic Diseases in Medicaid	4108	CMS		State government		\$100 million for five-year period, beginning January 1, 2011	
CHIP Obesity Demonstration Program (existing program)	4306	CMS	93.767	Local government, health department or educational agency; other specified entities	Demo.	\$25 million for FYs 2010-2014	
Title V – Health Care Workforce:							
Demonstration Project to Provide Low-Income Individuals with Opportunities to Address Health Professions Workforce Needs	5507	ACF	93.093	State government, territories, IHEs, local workforce investment board, and others	Demo.	\$80 million annually for FYs 2010-2012, \$85 million for FYs 2013-2014	FY 2010 funds awarded
Demonstration Project to Develop Training and Certification Programs for Personal or Home Care Aides	5507	HRSA	93.512	State government (up to 6)	Competitive; Demo.	\$5 million annually for FYs 2010-2012	FY 2010 funds awarded
Extension of Family-to-Family Health Information Centers (existing program)	5507	HRSA				Extends program through FY 2012; appropriates \$5 million annually	FY 2010 funds awarded; FY 2011 funding opportunity released
Payments to Teaching Health Centers that Offer Graduate Medical Education Programs	5508	HRSA	93.53	Teaching health centers	Formula	Not to exceed \$230 million for FYs 2011-2015	FY 2011 funding opportunity released
Graduate Nurse Education Demonstration	5509	HRSA		Hospitals (up to 5)	Reimburses specified costs	\$50 million annually for FYs 2012-2015	
Title VI – Transparency and Program Integrity:							
Nationwide Program for National and State Background Checks on Direct Patient Access Employees of Long-Term Care Facilities	6201	CMS	93.506	State government	Formula	Not to exceed \$160 million for FYs 2010-2012	FY 2010 funds awarded
Title X – Strengthening Quality, Affordable Health Care for All Americans:							
CHIP annual appropriations and CHIP Outreach and Enrollment (existing programs)	10203	CMS	93.767	State government		Appropriates funding for CHIP in FY 2014 and 2015; extends outreach and enrollment grants through FY 2015 and appropriates an additional \$40 million	
Pregnancy Assistance Fund	10212	ASH	93.500	State government	Competitive	\$25 million annually for FYs 2010-2019	FY 2010 funds awarded
Program for Early Detection of Certain Medical Conditions Related to Environmental Health Hazards	10323			State and local government, community health centers, hospitals, and others		\$23 million for FYs 2010-2014; \$20 million for each five year period thereafter	
Infrastructure to Expand Access to Care	10502	HRSA	93.502	IHEs and the state's sole public academic medical and dental school	Competitive	\$100 million in FY 2010	FY 2010 funding opportunity released
Community Health Center Fund (to increase funding for existing community health center program)	10503	HRSA	93.526 and 93.527			\$1 billion in FY 2011, \$1.2 billion in FY 2012, \$1.5 billion in FY 2013, \$2.2 billion in FY 2014, and \$3.6 billion in FY 2015; an additional \$1.5 billion for FYs 2011-2015 for construction	Varies, some FY 2011 funds awarded; some FY 2011 funding opportunities released

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